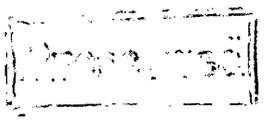
Preserve

B & Rs F

G. R. S. IX-5]

Previous references.



File No. 50-68

1918-19

Serial Nos. 1-5

(Geo C)

Later references.

Geol 57-19-1

(33)

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1-4

Part B for

SUBJECT.

Question whether gold mining companies have right to use Cyanide dust after gold has been extracted therefrom;

Cy 22006-7 dy 29-3-19.

To The Director of Mines & Geology
The enclosed to Govt.

Stated that the Director is requested to take needful action to recover the royalty due & report the result of action taken

W D 88—GPB—50,000—24-7-16

G. R. S. 11] 1918-19

GENERAL AND REVENUE SECRETARIAT.

(Gol)

NOTES.

File No. 50-18

FILE HEADING.

Question whether Gold mining companies have right to use Cyanide dust after gold has been extracted therefrom

From

No.	Dated	Received

Diary No.	Enclos.	Spare Copies.	Serial No.

BRIEF ABSTRACT OF LETTER.

NOTES AND ORDERS.

NOTES—First Sheet.

GPB—20,000—8-8-14

To 2349
12-8-18

REPLY.

(To be written on this margin.)

Geol -

WD 3048—GPB—1,000—16-7-17

Office of the Dewan of Mysore.

NOTE.

Dated August *191* 8.

It is understood that the Mysore Gold Mining Company has been making some experiments for converting ore (cynide) dust into some kind of cement for building purposes. I shall be glad if the Chief Secretary will confidentially call for a report in the matter from the Chief Inspector of Mines and also examine the rights of the Gold Mining Companies to use the dust after the gold has been extracted therefrom. Action may be taken under the orders of the Third Member of Council.

10.8.18 dO

The Chief Secretary.

Branch.
2 Mines put up a draft to C-I 9/8
CBS. 12/8/18

Geol Sec. 3 Please put up a reference about this received some time ago.
Geol 10-8-3. MW 12.8.18.

Mr. Ahs 4 Submitted with a draft and the references referred to above.
Ahs 14-8-18. 5th File 10/918 in which this matter is incidentally referred to is put up for reference.
6 Draft put up may be issued for issue.
-- Practice elsewhere will be ascertained here also in the meanwhile.
MW
Chief Secy.

Reference
Geol 10-8-3

G. R. S. III-2]

General and Revenue Secretariat. | Gol File No. 50 of 1918-19

Serial No.

199-65
19.8.18

Draft may be approved.
The lease will be examined & the legal position discussed separately
extra member
CBJ
18/8/18
MW
19.8.18

Draft approved
Cyanide dust or tailings - is what is left after the ore-quartz has been crushed, washed & heated with cyanides, and the metal-gold-abstracted from it. And I was not aware that it was known as ore dust also.
Reed
20.8.18

I shall be glad if the re legal position is put up early.
Reed
20.8.18

Please issue the D.O.
Then please discuss with Asst Secy (Jud) & get a note from him about the legal position. Govt advocate may also be consulted. These files may be ready by the end of this month.
CBJ
20/8/18

Issue D.O. letter & resubmit
MW
20/8.

NOTE—Contn. sheet.

WD A 1789—GPB—60,000—20-3-18—S.

Confidential (Ref.) Early 1918/ 29/08

Gol 50-6 3

Office of the Chief Inspector of Mines
in Mysore.

Confidential

D. O. No. 320

Dated Oorgaum, 30th August 1918.

Dear Sir,

With reference to your confidential communication, No. G. 3830 dated 20th instant stating that it is understood the Mysore Gold Mining Company has been making some experiments for converting cyanide dust into some kind of cement for building purposes, I beg to inform you, that, as far as I am aware, such is not the case.

2. A company, called the "Kolar Brickmaking Company Ltd.", was formed during the latter part of last year for the manufacture of bricks, the nominal capital being £ 10,000 of which £ 5,000 has been issued and subscribed conjointly by the Mysore, Champion Reef, Ooregum and Nundydroog Companies Limited.

3. The operations of the Brickmaking Company are being conducted solely for the benefit of the companies on the Kolar Gold Field and it is intended to extend its operations to the production of fire-bricks, clay crucibles, &c., and artificial stone.

4. Both the Second Councillor in Mysore, Mr. A. R. Banerji and the Director of Industries and Commerce, Mr. V. Rungaswami Iyengar have visited the Brickworks, which are situated on the Mysore Gold Mining Company's property, and have seen the various operations being carried out.

5. Regarding the rights of the Gold Mining Companies to use their residues for this purpose, I am unable to find any clause in the Mining Lease which prohibits them from doing so, in fact under Articles 2 and 3 of the Lease the opposite appears to be the case.

Yours sincerely,

R. Boogaerts.

C. S. Balasundaram Iyer, Esq., B. A.,
Chief Secretary to the Government of
His Highness the Maharaja of Mysore,
B A N G A L O R E.

L.G.

G. R. S. III-2]

General and Revenue Secretariat. | Gol File No. 50 of 1918-19

Serial No.

To the Chief Inspector of Mines in Mysore.

D.O. No G 3830 & 20-8-18

requests that a report may be submitted re the experiments said to have been conducted by the Mysore Gold Mining Co for converting cyanide dust into brick and cement for building purposes with his opinion as regards the rights of the gold mining companies to use the dust after the gold has been extracted therefrom.

Resubmitted reference paragraph 13 supra.

A.M. 20-8-18.

Shown to Mr Srinivasa Iyer 23/8/18. Copy of mining lease wanted. Preferably also the Ch. Inspector's opinion. Branch will please get copy of mining lease from Wilcox's office today, as already instructed me 24/8.

V. 24/8

1:- To Mr G Srinivasa Iyer for favour of a note.

The Second/Third and the 11th clauses of the lease seem to confer on the Company the right to use the dust. It is an intermediate product of a merchantable nature which they have raised on the land leased out and prepared by metallurgical roller processes, and which they seem to have the liberty to remove sell and dispose of - on the same conditions as they would be sold, finished or unfinished.

GSS 29.8.18

Cl. 2d 11.

Cl. 3.

Under the terms of the lease, the lessees are entitled to search for mine, and raise all quartz, reefs, and leads and shists of earth stone or rock containing or supposed to contain gold, metallic ores, precious

NOTE—Contn. sheet.

WD A 1789—GPB—60,000—20-8-18—S.

General and Revenue Secretariat. | File No. 30 of 191 1.-19.

Serial No.

Stones, coal or other substances of a merchantable nature occurring in or upon the mining block, and to treat the same by metallurgical or other process and to obtain or prepare therefrom gold, metals, precious stones, coal or other valuable products or substances either in a finished completed and refined state or in an intermediate condition, and to remove, sell or dispose of the minerals found or raised on or in the mining block or the intermediate or finished products obtained or prepared therefrom."

The quartz, ~~mineral~~ strata of earth, stone or rock supposed contain substance of a merchantable nature, ~~and that~~ may be raised and treated by metallurgical or other process by the lessees. All products ~~obtained~~ or substances of value obtained therefrom either in a finished state or in an intermediate condition may be sold by the lessees ~~just~~ on the same condition and subject to the same liabilities as in the case gold or other precious metals. The question therefore whether cyanide dust ~~can~~ be considered as a valuable product or substance in a finished, completed refined state or in an intermediate condition, obtained from the quartz, strata rock, stone or earth by metallurgical or other process. If the answer is in the affirmative, then the lessees have full right to use it in any way they like as pigment if necessary does; if not, they have no right to take the fact ~~of~~ ~~possession~~ it seems therefore the cyanide

NOTE—Contn. sheet.

WD A 1789—GPB—60,000—20-3-18—S.

Serial No.

dust is a substantial value obtained from the metallurgical action process of treating the quartz, and ~~conveyance~~ the person ~~of~~ that the lessee have full right to sell ~~it~~ as they think fit

ES 3/9

Geological Survey)
Submitted

D. O. No 31 dt. 5-9-18

HHS. 5-9-18 Mly

1st Forwarded D.O. with compliments to the Government Advocate for favour of opinion

M. Venkata Ayyar
for Chief Secretary to Government
5/9/18

2nd The residue left after the crushed quartz goes through the Mill & vat & the Cyanide process is thrown into heaps Commonly known as the waste dumps. These tailings also Contain a very small quantity of gold. It is only within the last 3 or 4 years that they were again subjected to a new treatment called "the new Cyanide treatment" & a small percentage of gold was recovered therefrom. These

NOTE—Contn. sheet.

tailings or residues have therefore some value and are "mining materials" within the meaning of Sec 3(6)(b) of the Mines Regulation. Cyanide Sand is therefore a residue or residuary mineral product obtained in the process of extracting gold from the ore. What was till recently considered as ~~refuse~~ refuse unfit for further treatment or extraction & thrown into the waste dumps is now undergoing a new treatment. In this view Cyanide Sand seems to me to be purely treated by metallurgical or other processes whereby finished & intermediate products are obtained therefrom & it is one of such intermediate products (vide cl (2) of the agreement) & the gold mining Co are at liberty to remove sell & dispose of the same under cl (3) of the agreement

7-9-18.

Sd Broadmount Jr
for Assistant

Submitted
AAS
10-9-18. bly

WD A 1789—GPB—60,000—20-3-18—S.

G. R. S. III-2]

680 8

General and Revenue Secretariat. | File No. 50 of 1916-17

Serial No.

679-250
12.9.18.

21 Submitted with reference to the note in paragraph 11 above.

18/9/18

Extra Member

22 From the Confidential Report of the Ch. Inspector of Mines of 30.8.18 it would appear that he has no information about the experiments understood to have been conducted for the conversion of Cyanide dust into cement for building purposes. Even if this was a fact it does not appear that any action in the matter is possible in the light of the legal opinion above noted. After going into the clause myself. I feel that I share the opinion.

Neel
14-9-18

1590
16.9.18

beware).

23 The lease in the present case seems to be of too general a character perhaps as it chiefly concerns gold. It seems advisable that in future the particular metals or minerals to which the lease applies are specifically mentioned.

24 The question whether under clause 7 separate royalty is not leviable if the cyanide dust is removed and sold, seems to require further examination.

24.9.18.

NOTE—Contn. sheet.

WD A 1739—GPB—60,000—20-3-15—S.

16496

G. R. S. III-2]

WD 1233—GPB—60,000—1-12-16—S.

General and Revenue Secretariat.

Govt File No. 50 of 1918-19.

Serial No.

25 With reference to the second para of the Dewan's order it is submitted that if the material is removed and sold the Company would be liable to pay royalty as on other realisations. May the Govt. Advocate be consulted on this point? In the present case however the idea seems to be to use the slime for making artificial slime for use in mining stopes.

25/9
Chief Secy)
26/9 Govt advocate may be consulted further

26/9

Ro No 42 dt 27-9-18

27 Forwarded R.O with compliments to the Govt Advocate for favour of noting his views further

Sd. Venkatasubbayyangar
for Chief Secy
26/9/18

R. O. No. 21088-19

Ch. Asst

28 Separate royalty is leviable under cl (7) of the lease at 5% on the net sale proceeds of the Cyanide Sand.

27.9.18. Sd Venkatasubbayyangar for Advocate

Submitted 28-9-18 Sd

29 This will be communicated to the Director, Ch. Inspr of Mines and the Comptroller

Chief Secy) 30/9 Govt please draft & submit to extra member

NOTE—Contn. sheet.

WD 1233—GPB—60,000—1-12-16—S.

3678

10

G. R. S. III-2]

General and Revenue Secretariat.

Geol File No. 50 of 1918-19

Serial No.

3 Submitted with a draft.

AMS 9-10-18 Ely

Extra Member 12/10/18

1252-195. 12.10.18

33 The description is not sufficiently clear for practical purposes. Unless the percentage of the Cyanide dust used in the process is definitely known the royalty one cannot be determined. It seems so. But I am not sure what the exact import of cl 7 is. Does it mean that the royalty is recoverable on the (1) Net sale proceeds of the manufactured products in which the ox. dust, or tailings &c is used or (2) quantity of ox. dust or tailings so used in the process. Legal opinion on this point may now be obtained.

Reel 14.10.18 15/10/18

Submitted. 34 May this be sent to Prosecution branch for favour of opinion?

35 9/11

AMS 31-10-18. Dep. III Chief Secretary.

Ely 11.11.18.

36 Forwarded unofficially with compliments to the Government Advocate preparing opinion.

By order Secretary to Government

Ely Deputy Secretary

Ely. AG 9/11 9 14.11.18

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | Gen'l File No. 50 of 1918-19.

Serial No. 37

No. 1097 31/18-19.
21/11/1918.

Cl. Sec'y
21.11.18

B. Cyanide Sand comes within the Category of "Such substances of a saleable or merchantable nature made mer-chantable by the Lessee" royalty is payable to Govt. on the nett sale proceeds of the Cyanide Sand utilised for making Cement & not on the sale proceeds of the Manu-factured article. If the Mining Company that owns the Sand is itself engaged in making Cement the Sand may probably be not paid for, but that will not absolve the Company from paying royalty to Govt.: The price for which the Sand will be sold had a different Company been engaged in the Manufacture of Cement may be treated as affording a basis for Calculating royalty. This is the view I take of Cl (7) of the agreement

Govt. No. 1097 dated 31.10.18

G 4 13 20.11.18. Edwardsmith for Asst Secy

Submitted Reference paragraphs 33 & 36 above.

H.S. 23-11-18.

38 Asst Secy Br III with Compliments for favour of noting his opinion

MC 4/12/18

4 DEC 1918

NOTE—Contn. sheet.

7413

3678

WD 1233—GPB—60,000—1-12-16—S.

G. R. S. III-2]

General and Revenue Secretariat.

Geol File No. 50 of 1918-19

Serial No.

Subd

" 39 M. Seems to me clear that the royalty

MWR 4.12.18 } payable to Govt has to be calculated upon the nett sale proceeds of the cyanide dust used by the Company, and not upon the value of the manufactured article.

EB 5/12

Geological Section

Submitted

AHS

2.12.18

9. 40 For favour of opinion whether royalty will be payable if the manufactured article is used by the Company in the work of mining.

MW 11/12/18

12 DEC 1918

Legis Section.

Subd

" 41

MWR 12-12-18 } The answer is in the affirmative when the substance becomes saleable or merchantable royalty becomes due to Govt, whether the substance be used or sold by the Company.

EB 18/12

Geological Section

Submitted

AHS 13-12-18.

NOTE—Contn. sheet.

3678

G. R. S. III-2]

General and Revenue Secretariat. | Govt File No. 50 of 191 8-19

Serial No.

42 Label with reference to para 33 above.
Draft suitably revised may be submitted
Sne
19.12.18

21775-1-5
17.12.18

Second Member.

43 Draft approved
Rell
20.12.18
Sne

~~Issue draft as~~

44 May perhaps be submitted to Dewan for perusal before issue.
Sne
23/12/18

(Chief Secy) (& Dewan)

3492
24.12.18

45
Sne
24/12

46
Note the meaning of rebate proceeds paid
The word is not quite correct ~~as used by the G. of Assam~~
Where better to give rebate of on inclusive of
How is the rebate proceeds
Was calculated Meaning
say - the sand is valuable
waste product. Who
Does time under Cl 7
Mr Dewan Ref may be
worked again in the paras

47 as may early

NOTE—Contn. sheet.

WP A 1739—GPB—60,000—20-3-19—S.

29/12/18

3678

14

G. R. S. III-2]

General and Revenue Secretariat. | Govt File No. 50 of 1918-19

Serial No.

48 Forwarded w. with compts to the Govt Advocate for favour of further remarks ~~with respect to~~

"N Venkatasubbayyar
for Ch. Secy
30/12/18"

49 The net sale proceeds in the case of pyrite dust will be the market value of the material at the spot. This view has already been indicated by my learned predecessor in his opinion dated 20-11-18.

50 This dust or sand must necessarily have some value. If the same Company should use it, we shall perhaps have to ask them to give their own valuation & accept it, or to determine the figure by deducting from the market value of the manufactured article the price of all other materials used and labour.

51 When the dust is useful for some purpose or other, I do not think it is open to the Company concerned to say that it is either valueless or a waste product.

52 I am therefore of opinion

Ch. No 88 9
21.1.19 PP 19

Ch. No 50/1918-19
16/1/1919.

Ch Secy
10 JAN 1919

Page 37 supra.

NOTE—Contn. sheet.

WD A 1789—GPB—60,000—20-3-18—S.

G. R. S. III-2]

General and Revenue Secretariat. | Gl. File No. 50 of 1918-19

Serial No.

that it comes under clause (7) of the agreement.

W. Shankaranarayana
10/1/1919. Govt. Advocate

53 Submitted with reference to paragraphs 43 and 46 above. I have made some additions in pencil in the draft order which may perhaps be approved. A further order clearly laying down rules for calculation may issue on receipt of proposals from the Director, Mines & Geology. If however it is considered desirable to give notice to the Companies this order may not issue and the Director will be asked to place himself in communication with the Companies and send up proposals with their views before orders are passed.

11-1-19

15.1.19

3072-37
17.1.19.

Second memo.

Gl. File. Correspondence in the matter may be sent to the Director of M & G. & his opinion in it called for. There is no need to send to him the draft notification. No order need issue at the present stage.

20.1.19

Clerk
Please bring up
20/1/19

NOTE—Contn. sheet.

WD A 1789—GPB—60,000—20-3-18—S.

G. R. S. III-2]

General and Revenue Secretariat.

File No. 50 of 1918-19

Serial No.	
	55 Submitted with a draft.
	21-1-19 5b The draft and the ~~selection~~ extracts may be abstd
	Second number) 25.1.19
	4207-272 31-1-19
	Draft approved Reed 25.2.19.
	5b Issue 1/3
2	To the Director Geol: Mines & Geol. G 19517 dt 6.3.1919. Forwards copies of correspondence on the matter refd: to above and requests
3.	From Asst Salt Officer. No 2752 dt 18-3-19. States that the Kolar Brickmaking Co are manufacturing bricks from the Cyanide Sand purchased from the Mysore gold mining Co at Oorgaum, & that

CHIEF SECRETARIAT MINOR 7 MAR 1919

Sept

NOTE—Contd. sheet.

3678
16554

G. R. S. III-2

General and Revenue Secretariat. | Prot File No. 50 of 1918-19

Serial No.

5 % as the nett sale value of mineral is due to Govt & that the Superintendent, Mysore Mines may be asked to furnish the needful information & to pay the royalty due to Govt.

58) Submitted with reference to paragraphs 54 above

ATS 21-3-19. Ag

59) D/f approved

Rec 21/3/19.

60) Submitted with a draft proceedings

ATS 21-3-19 61) Mysore submitted for sanction

Rec 21/3/19

~~Second Member~~

Chief Secy

62) 2nd member)

Rec 24/3/19

ATS 23/3/19

63) Secy approves

64) File may be submitted for the information of the Govt on after issue of letter

Rec 26.3.19

65) Pr Govt draft & put up— Keep a fair copy of draft in file

Rec 27.3.19

4 To the Director Depts. of Mines & Geology

" Comptroller to Mysore Govt

G. 2200-7 dt 29.3.1919

ISSUE & RESUBMIT.

NOTE—Contn. sheet.

5648-243
24.3.19

16554

G. R. S. III-2].

General and Revenue Secretariat. File No. 53 of 1918-19.

Serial No.

G.22006-7-27-3.

Approves the proposal of the Director re cyanide Sand residue sold by the Kolar Brickmaking Co. refd. to in this d. directs that necessary action may be taken in the matter as regards the royalty.

Submitted with refee: to para 65 (Supra)

31/3 Ly

Dewan) Secy. 3.4

Temporasal

Secy 2.4.19

Secy 3/4

[illegible] 5957

CHIEF SECRETARIAT Simla MINCR 12 APR 1919

NOTE—Contn. sheet.

WD A 1789—GPE—60,000—20-3-18—S.

D 19338/1554

19

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

5

From The Director, Dept of Mines

No 3191 dy 28.4.19

forwards a copy of letter of 15-4-19 from the Superintendent, Mysore Gold Mining company stating that the copy of the Director's letter in regard to the payment of royalty on the cyanide sand sold by the company to the Kolar Brickmaking Co Ltd is being forwarded to Messrs Golin Taylor & Sons in England for instructions. and on receipt of their reply, it will be communicated due course.

Submitted May the receipt of the further communication be awaited?
Addl.
5-5-19

Subd for perusal
MW
9/5

6894-250
10-5-19

Secretary
Seen
Matter to be kept in view and lost sight of meantime

Seen
12.5.19

Subd & Chkd for perusal
MW
11/5.

Seen
CJ
13/5

By Record & keep in dak
MW
23/5.

N.B.— Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

CHIEF SECRETARY'S OFFICE
24 MAY 1919

G. R. S. VI—G/32]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

GENERAL AND REVENUE SECRETARIAT,

( )

, the *191* .

Date of issue.....20-8-18.....

Signed by.....Mr. C.S. Balasundaram.....

Confidential

Section Geol

File No. 50-18

Serial No. 1

No. G 3830.

The Chief Inspector of Mines in Mysore

To

Sir

As it is understood

I am directed ~~to state that~~

the Mysore Gold Mining Company has been making some experiments for converting ~~ore (cyanide)~~ cyanide dust into some kind of cement for building purposes and to request that a report in the matter may ~~shortly~~ be submitted early with your opinion ~~thereon~~ as to the information as regards the rights of the Gold mining Companies to use the dust after the gold has been extracted therefrom.

I have etc

Yours Sincerely

for Chief Secretary to Govt

Rec'd 20.8.18

15/8

14/8/18

CONFIDENTIAL

Goal 50-8-2

Z 43/19

To 9195 17/3

The Director,
Department of Mines and Geology.

Sir,

I am directed to state that as some time ago it was understood that the Mysore Gold Mining Company had been making some experiments for converting cyanide dust into some kind of cement for building purposes ~~and that~~ the Chief Inspector of Mines was requested in a letter (a copy ~~of which is~~ attached hereto) to forward a report in the matter together with his opinion regarding the rights of the gold mining companies to use the dust after the gold has been extracted therefrom. The Chief Inspector stated (vide his reply copy of which also is enclosed) that the companies ~~are~~ were entitled to use the dust and the question therefore, came up for consideration whether under clause 7 of the lease granted to the Gold Mining Companies, separate royalty ~~is~~ was not leviable for the value of the dust so used.

E

6.3.19

The legal opinion on the question is that separate royalty is leviable under Cl. 7 of the lease at 5% on the net sale proceeds of the cyanide sand, as cyanide sand comes within the category of "other substances of a saleable or merchantable nature made merchantable by the lessees" If the mining company

Cl 4/3/19

company that owns the sand is itself engaged in making cement the sand may probably be not paid for, but that will not absolve the company from paying the royalty to -- Government. The price for which the sand would have been sold, had a different company been engaged in the manufacture of cement, may be treated as affording a basis for calculating royalty. (vide extrats enclosed).

I am to request you to favour Government with your opinion on the whole question at a very early date.

I have etc.,

Chief Secretary to Government

ACH.

E X T R A C T S.

x x x

The residue left after the crushed quartz goes through the mill and vat and the cyanide process is thrown into heaps commonly known as the waste dumps. These tailings also contain a very small quantity of gold. It is only within the last 3 or 4 years that they were again subjected to a new treatment called "the new cyanide treatment" and a small percentage of gold was recovered therefrom. These tailings or residues have therefore some - value and are "mining materials" within the meaning of Sec.3(6)(b) of the Mines Regulation. Cyanide sand is therefore a residue or residuary mineral product obtained in the process of extracting gold from the ore. What was till recently considered as refuse unfit for further treatment or extraction and thrown into waste dumps is now undergoing a new treatment. In this view cyanide sand seems to be quartz treated by metallurgical or other process whereby finished and intermediate products are obtained therefrom and it is one of such intermediate products (vide clause (2) of the agreement) and the gold mining companies are at liberty to remove, sell and dispose of the same under clause (3) of the agreement.

x x x

Separate royalty is leviable under clause (7) of the lease at 5% on the nett sale proceeds of the cyanide sand.

x x x

As cyanide sand comes within the category of other substances of a saleable or merchantable nature made merchantable by the lessees" royalty is payable to Government on the nett sale proceeds of the cyanide sand utilised for making cement and not on the

the sale proceeds of the manufactured article. If the mining company that owns the sand is itself engaged in making cement the sand may probably be not paid for, but that will not absolve the company from paying royalty to Government. The price for which the sand will be sold, had a different company been engaged in the manufacture of ~~current~~ cement may be treated as affording a basis for calculating royalty. This is the view (to be taken) of clause 7 of the agreement.

x x x

The net sale proceeds in the case of cyanide dust will be the market value of the material on the spot.

Paras 4 & 5 of 2 Refer marked

This dust or ~~the~~ sand must necessarily have some value. If the same company should use it, they may be asked to give their own valuation and it may be accepted or the figure may be determined by deducting from the market value of the manufactured article the price of all other materials used and labour.

When the dust is useful for some purpose or other it is not probable that it is open to the company concerned to say that the dust is either valueless or a waste products.

I am therefore of opinion that it comes under clause (7) of the agreement.

ACH.2.

16554
DIARY NO.....
1918-1919
Geol
50-18
3

19 MAR 1919
637 [P.M.G. 17]
MINOR
19 MAR 1919
GPB—1,000—23-3-15

FROM

DR. W. F. SMEETH, M.A., D.Sc., A.R.S.M., &c.
Director, Dept. of Mines and Geology,
Mysore State.

To C. S. Balasundaram Iyer, Esq., B.A.,
Chief Secretary to the
Govt. of H.H. the Maharaj
of Mysore.

Dated Bangalore, 18 March 1919.

Despatched

Received

General No. 2752

19 MAR 1919

Enclosure No.

Sir,

In reply to your letter No.G.19517/Geol.50-18-2, dated 6th March 1919, I have the honour to state that the common building bricks are being made by the Kolar Brick-making Company from cyanide sand mixed with soil. The cyanide sand is sold to the Brickmaking Company by the Mysore Gold Mining Company and I believe the price charged is some six annas per ton. Under the lease the Mysore Gold Mining Company is entitled to sell the cyanide sand which is a mineral and they should pay a royalty of 5 % of

of the nett sale value of the sand. The attention of the Superintendent may be called to this and he may be asked to furnish statements of the amount of sand sold and the sale value thereof and pay the royalty thereon. Probably this point has not occurred to him hitherto, as the work has been of an experimental character and the bricks were required for use in connection with mining work.

I have the honour to be,

Sir,

Your most obedient servant,

Director,

Dept.of Mines & Geology.

C.H.

Clean copy of dcgl 27

Proceedings of the Government of His Highness
the Maharaja of Mysore.

GpoC 50-18-4

R e a d :-

Correspondence ending with letter No. 2752 dated 18th March 1919 from the Director, Department of Mines and Geology, stating that the Mysore Gold Mining Company are selling to the Kolar Brickmaking Company cyanide sand residue for making bricks, that a royalty of 5% on the nett sale value of the material is leviable from the Company and proposing that the Superintendent of the Mysore Gold Mining Company may be asked to furnish statements of the quantity of cyanide sand sold to the Kolar Brickmaking Company and the sale value thereof and to pay the royalty thereon.

O r d e r No. G 22006-7

Dated Bangalore, the 29th March 1919.

The proposal of the Director is approved.

The Director is requested to take necessary action to obtain the information required and to recover the royalty due A report of the result of the action taken may be submitted for the information of Government.

Clean copy of G.O. has also been issued to the members

By Chief Secretary to Government.

To
The Director, Department of Mines & Geology in Mysore.
The Comptroller, Mysore Government.

CP.3.

G.R.S. VI-71]

SUBJECT.....

.....

.....

Diary No. of letter replied to.....

Section Geol

File No. 50-18.

Serial No. 4

General and Revenue Secretariat

( )

Proceedings of the Government of His Highness the Maharaja of Mysore.

the 191

ISSUE & RESUBMIT.

Date of issue..... 29/3/19

Signed by.....

Read.—

——correspondence ending with letter no 2752 dt 18-3-19 from the Director of Mines & Geology stating that the Mysore Gold Mining Co are selling to the Kolar Brickmaking Company ~~the cyanide~~ from the Hyderabad ~~contractors~~ and are using ~~the~~ Cyanide ~~sand~~ residue for making bricks at 6 as per ton and that a royalty of 6% as the nett sale value of the material from the Company and proposing is leviable that the Superintendent Order Thereon:— No.

of the Mysore Gold Mining Co. may be asked to furnish statements of the quantity ~~amount~~ of cyanide sand sold to the Kolar Brickmaking Co & the sale value

over. P.T.O.

May this be

i Printed?

ii treated as a standing order?

iii published in the Gazette English part?

iv translated?

v placed at the disposal of the press?

vi published in the Gazette Kannada part?

N.B. i. Nomenclature must be uniform. Other wise doubts are sure to arise & this contingency must be avoided.

thereof & to pay the royalty thereon.

Orde no

Govt are pleased to direct that a separate royalty be levied under clause 7 of the lease at 5% on the net sale proceeds or the market value of the cyanide used to effect

The proposal of the Director is approved

The Director is requested to take necessary action to obtain the ~~necessary~~ returns required and to recover the royalty due ~~on the receipt of the returns~~ ~~the information from the mining enterprises.~~

A report of the result of the action taken ~~in the matter~~ may be submitted ~~to Govt.~~ for the information of Govt

26. 3. 19

for Secretary
Foreign Department Govt.

To The Director Dept of Mines & Geology

Dear Sir

I am directed to forward herewith for ~~Govt~~ the information of Govt ~~the~~ ~~enclosures~~ ~~mentioned~~ in the margin.

List of enclosures.

Copied by

Examined by

6819 DIARY NO. 19338 30

D.M.G. 17 GPB—250—23-2-16

FROM

DR. W. F. SMEETH, M.A., D.Sc., A.R.S.M., etc.,
Director, Dept. of Mines and Geology,
Mysore State.

To

C.S. Balasundaram Iyer, Esq., B.A.,
Chief Secretary to the Government
of H.H. the Maharaja of Mysore,
Bangalore

Dated Bangalore, 28 April 1919

Despatched

Received

General No. 3191

CHIEF SECRETARIA; IV MINOR 28 APR 1919

Enclosure No. 1

Sir,

With reference to Government Order No.G.22006-7/Geol.50-18-4, dated 29th March 1919, directing that necessary action may be taken to obtain from the Superintendent of the Mysore Gold Mining Company statements of the quantity and value of the Cyanide sand sold by them to the Kolar Brickmaking Co., and to recover the royalty due to Government thereon I have the honor to forward herewith for the information of the Government a copy of my letter No.3041, dated 15th April 1919, addressed to him in the matter and of his interim reply thereto stating that a copy of my

letter

letter is being forwarded to Messrs. John Taylor & Sons in England for instructions.

I have the honor to be,

Sir,

Your most obedient servant,

Director,

Department of Mines and Geology.

cvv

Letter No.3041. dated 15th April 1919, from the Director, Department of Mines and Geology, Bangalore, to the Superintendent, The Mysore Gold Mining Co. Ltd., Marikuppam.

It is understood that your Company have been selling to the Kolar Brickmaking Co., cyanide sand for making bricks and I am directed by the Government of His Highness the Maharaja of Mysore to request you, therefore, to be so good as to inform me of the arrangements made by you in the matter with that Company and to furnish me with a statement showing the quantity of cyanide sand sold up to date and the sale value thereof.

2. Under Clause 7 of the Mining Leases held by your Company, royalty is payable to Government at 5 per cent on the net sale proceeds of the cyanide sand and I am to request you, therefore, to pay the amount due up to date to a Mysore Government Treasury and forward the Treasury Receipt to me for information and record in this office.

3. A statement of the quantity of cyanide sand sold and the sale value thereof may kindly be furnished to me quarterly not later than the 15th of the month following the quarter to which it relates.

Letter dated 16th April 1919 from the Superintendent of the Mysore Gold Mining Co. Ltd., Marikuppam, to the Director, Department of Mines and Geology.

With reference to your No.3041, dated the 15th instt. on the subject of royalty payable to the Government of Mysore on the cyanide sand sold by this Company to the Kolar Brickmaking Co., Ltd., I have the honor to state that a copy of

your

your letter is being forwarded by this week's mail to Messrs. John Taylor & Sons for information and favour of instructions in the matter and that, on hearing from them, I will again communicate with you.

"COPIES"

Director,

Department of Mines and Geology.